

House Study Bill 710

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON HUSER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to reimbursement of costs incurred by a private
2 entity hired by a police authority to dispose of an abandoned
3 vehicle.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6423HC 82
6 dea/nh/5

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1 1 Section 1. Section 321.89, subsection 4, Code 2007, is
1 2 amended to read as follows:
1 3 4. AUCTION OF ABANDONED VEHICLES.
1 4 a. If an abandoned vehicle has not been reclaimed as
1 5 provided for in subsection 3, the police authority or private
1 6 entity shall make a determination as to whether or not the
1 7 vehicle shall be sold for use upon the highways. If the
1 8 vehicle is not sold for use upon the highways, it shall be
1 9 sold for junk, or demolished and sold as scrap. The police
1 10 authority or private entity shall sell the vehicle at public
1 11 auction. Notwithstanding any other provision of this section,
1 12 a police authority or private entity may dispose of the
1 13 vehicle to a demolisher for junk without public auction after
1 14 complying with the notification procedures in subsection 3.
1 15 The purchaser of the vehicle takes title free and clear of all
1 16 liens and claims of ownership, shall receive a sales receipt
1 17 from the police authority or private entity, and is entitled
1 18 to register the vehicle and receive a certificate of title if
1 19 sold for use upon the highways. If the vehicle is sold or
1 20 disposed of to a demolisher for junk, the demolisher shall
1 21 make application for a junking certificate to the county
1 22 treasurer within thirty days of purchase and shall surrender
1 23 the sales receipt in lieu of the certificate of title.
1 24 b. From the proceeds of the sale of an abandoned vehicle
1 25 the police authority, ~~if the police authority did not hire a~~
1 26 ~~or private entity, that sold the vehicle at auction~~ shall
1 27 reimburse itself for the expenses of the auction, the costs of
1 28 towing, preserving, and storing which resulted from placing
1 29 the abandoned vehicle in custody, all notice and publication
1 30 costs incurred pursuant to subsection 3, the cost of
1 31 inspection, and any other costs incurred except costs of
1 32 bookkeeping and other administrative costs. Any remainder
1 33 from the proceeds of a sale shall be held for the owner of the
1 34 vehicle or entitled lienholder for ninety days, and shall then
1 35 be deposited in the road use tax fund. The costs to police
2 1 authorities or private entities of auction, towing,
2 2 preserving, storage, and all notice and publication costs, and
2 3 all other costs which result from placing abandoned vehicles
2 4 in custody, whenever the proceeds from a sale of the abandoned
2 5 vehicles are insufficient to meet these expenses and costs,
2 6 shall be paid from the road use tax fund and are the
2 7 obligation of the last owner or owners, jointly and severally.
2 8 c. The director of transportation shall establish by rule
2 9 a claims procedure to be followed by police authorities in
2 10 obtaining expenses and costs from the fund and procedures for
2 11 reimbursement of expenses and costs to a private entity hired
2 12 to take custody of an abandoned vehicle. If a private entity
2 13 has been hired, the police authority shall file a claim with
2 14 the department for reimbursement of towing fees which shall be
2 15 paid from the road use tax fund.
2 16 EXPLANATION
2 17 This bill revises provisions relating to the sale of an

2 18 abandoned vehicle by a private entity hired by a police
2 19 authority. Under current law, a police authority that
2 20 auctions an abandoned vehicle is entitled to full
2 21 reimbursement from the proceeds of the auction for expenses of
2 22 the auction, towing costs, costs of preserving and storing the
2 23 vehicle, notice and publication costs, inspection costs, and
2 24 any other costs except bookkeeping and administrative costs.
2 25 If the proceeds of the auction are insufficient to cover all
2 26 of those costs, the costs are to be paid from the road use tax
2 27 fund, although the costs are the obligation of the last owner
2 28 of the vehicle. The bill specifies that if a private entity
2 29 hired by a police authority sells an abandoned vehicle at
2 30 auction, the private entity shall reimburse itself for the
2 31 same costs a police authority is entitled to, and if the
2 32 proceeds of the auction are insufficient to cover those costs,
2 33 the costs shall be paid from the road use tax fund.
2 34 Currently, a private entity, upon filing a claim, is
2 35 reimbursed from the road use tax fund for towing fees in
3 1 connection with an abandoned vehicle. That guaranty is
3 2 retained under the bill.
3 3 LSB 6423HC 82
3 4 dea/nh/5